Navy Industry Working Group

Thursday, August 4, 2016
12000 Research Parkway
Room 304A/B
1430 - 1630

Best Value Navy Industry WG Agenda for August 4, 2016

- **1425 -1430** Sign-In
- **1430 -1440** Welcome, Background, Goal – (Government Representative(s) - Rob Matthews, Diana Teel, Tim Cichon, Alan Arblaster, Greg Dougherty)

Goal – Best Value- To work together to provide a recommended product (i.e. checklist, template, tool, local policy, communication plan, process improvement, etc.) within a 3 month timeframe.

- **1440 – 1510** Housekeeping (ROE) & Around the Room Introductions, & Expectations (if not provided earlier)

Introductions: Name, Company

- **1435-1600** Agenda
  - Review Highlights from meeting on July 7, 2016
  - Industry Report out:
    - How would a solicitation (specific criteria) best communicate (look) to get the most useful information to the decision authority to make a value based award decision?
    - Assume:
  - 1. Standard SOW & PRF for TS
  - 2. Only focus on L&M "specific" program information
  - 3. Use definitions from week 2 or 3
  - Group Activity – Identify ideas/ ways / solutions the WG can affect the top three areas
    (i.e. checklist, template, tool, local policy, communication plan, process improvement, etc.) within a 3 month timeframe.
  - Report Out and ID Action Items
- **1600 -1615** OBTWs
- **1615 – 1630** Adjourn

Operational Definition for Value

- Value is simply the decision authority's assessment as to the benefit (subjective such as process and risk or quantifiable such as threshold and objective) between the lowest priced acceptable offer (not LPTA) and a higher priced offer
- Value is "How much better off will the Government be at the expense of some price premium"
- It is possible, and often occurs, that the Government would be WORSE OFF at the expense of some price premium

Table 2A. Technical Rating Method

Color Rating	Adjectival Rating	Description
Blue	Outstanding	Proposal indicates an exceptional approach and understanding of the requirements and contains multiple strengths.
Purple	Good	Proposal indicates a thorough approach and understanding of the requirements and contains at least one strength.
Green	Acceptable	Proposal indicates an adequate approach and understanding of the requirements.
Yellow	Marginal	Proposal has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements of the solicitation and, thus, contains one or more deficiencies and is unawardable.

Source: Source Selection Procedures; DoD Defense Federal Acquisition Regulation Supplement, Procedures, Guidance and Information Subpart 215.3 – Source Selection; March 31, 2016; page 25

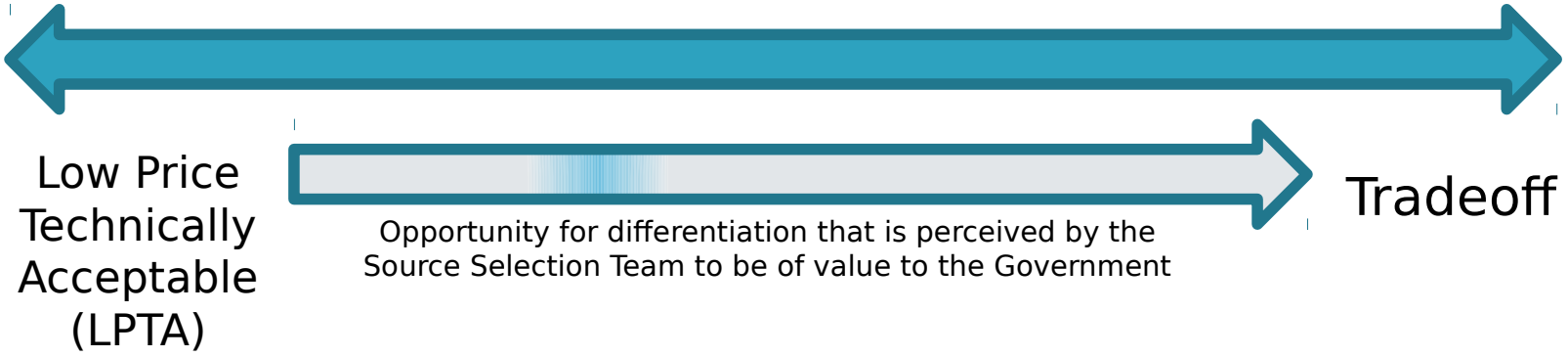
Table 2B. Technical Risk Rating Method

Adjectival Rating	Description
Low	Proposal may contain weakness(es) which have little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Proposal contains a significant weakness or combination of weaknesses which may potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Proposal contains a significant weakness or combination of weaknesses which is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring.
Unacceptable	Proposal contains a material failure or a combination of significant weaknesses that increases the risk of unsuccessful performance to an unacceptable level.

Source: Source Selection Procedures; DoD Defense Federal Acquisition Regulation Supplement, Procedures, Guidance and Information Subpart 215.3 – Source Selection; March 31, 2016; page 25

Best-Value Continuum

a refresher


Low Price Technically Acceptable (LPTA)
Opportunity for differentiation that is perceived by the Source Selection Team to be of value to the Government
Tradeoff

Lowest Price Technically Acceptable (LPTA) Source Selection Process (see FAR 15.101-2). The LPTA process is appropriate when best value is expected to result from selection of a technically acceptable proposal with the lowest evaluated price.

Tradeoff Source Selection Process (see FAR 15.101-1). This process allows for a tradeoff between non-cost factors and cost/price and allows the Government to accept other than the lowest priced proposal or other than the highest technically rated proposal to achieve a best-value contract award.

Best-Value Continuum
a refresher

- LPTA
  - Does not provide for a price premium in any areas of differentiation
  - Level of acceptability established by the Source Selection Team
  - Does not imply “cheap” though executed incorrectly could result in a less than best-value selection
- Tradeoff
  - Allows for a price premium in any areas of differentiation
  - Value of differentiation determined by the Source Selection Team
  - Value of differentiation varies between source selection teams, programs and offerors (value is subjective)
  - The perceived benefits of the higher priced proposal shall merit the additional cost, and the rationale for tradeoffs must be documented
- Hybrid
  - Allows the use of technical acceptability with tradeoff between price / cost and non-cost factors such as past performance or experience

Best-Value Continuum
a refresher

- Evaluation factors must represent key areas of importance and support meaningful comparison and discrimination between and among competing proposals
  - Price or cost to the Government shall be evaluated in every source selection (FAR 15.304(c)(1))
  - Quality of product or service shall be addressed in every source selection through one or more non-cost factors (FAR 15.304(c)(2))
    - Non-cost factors include past performance, compliance with solicitation requirements, technical excellence, management capability, personnel qualifications, and prior experience